

**Introduced by Senator Pavley**

February 23, 2012

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An act to amend Sections 10507.7 and 20651 of the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

SB 1280, as introduced, Pavley. Public contracts: University of California and community college districts: competitive bidding: best value.

Existing law requires the Regents of the University of California, except as provided, to let all contracts involving an expenditure of more than \$100,000 annually for goods and materials or services to the lowest responsible bidder meeting certain specifications, or to reject all bids. Existing law requires the governing board of any community college district to let specified contracts involving an expenditure of more than \$50,000 to the lowest responsible bidder meeting certain specifications, or else to reject all bids.

This bill would provide that bid evaluation and selection for these contracts may include competitive means for obtaining best value while complying with the legislative intent of the above requirements.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 10507.7 of the Public Contract Code is
- 2 amended to read:
- 3 10507.7. (a) Except as provided for in this article, the Regents
- 4 of the University of California shall let all contracts involving an

1 expenditure of more than one hundred thousand dollars (\$100,000)  
2 annually for goods and materials to be sold to the University of  
3 California to the lowest responsible bidder meeting specifications,  
4 or else reject all bids. Contracts for services to be performed, other  
5 than personal or professional services, involving an expenditure  
6 of one hundred thousand dollars (\$100,000) or more annually shall  
7 be made or entered into with the lowest responsible bidder meeting  
8 specifications, or else all bids shall be rejected. If the regents deem  
9 it to be for the best interest of the university, the regents may, on  
10 the refusal or failure of the successful bidder for materials, goods,  
11 or services to execute a tendered contract, award it to the second  
12 lowest responsible bidder meeting specifications. If the second  
13 lowest responsible bidder fails or refuses to execute the contract,  
14 the regents may likewise award it to the third lowest responsible  
15 bidder meeting specifications.

16 *(b) For the purposes of this section, bid evaluation and selection*  
17 *may include competitive means for obtaining best value while*  
18 *complying with the legislative intent of subdivision (a).*

19 SEC. 2. Section 20651 of the Public Contract Code is amended  
20 to read:

21 20651. (a) (1) The governing board of any community college  
22 district shall let any contracts involving an expenditure of more  
23 than fifty thousand dollars (\$50,000) for any of the following:

24 ~~(1)~~  
25 (A) The purchase of equipment, materials, or supplies to be  
26 furnished, sold, or leased to the district.

27 ~~(2)~~  
28 (B) Services, except construction services.

29 ~~(3)~~  
30 (C) Repairs, including maintenance as defined in Section 20656,  
31 that are not a public project as defined in subdivision (c) of Section  
32 22002.

33 ~~The~~  
34 (2) The contract shall be let to the lowest responsible bidder  
35 who shall give security as the board requires, or else reject all bids.

36 (3) *For the purposes of this subdivision, bid evaluation and*  
37 *selection may include competitive means for obtaining best value*  
38 *while complying with the legislative intent of paragraphs (1) and*  
39 *(2).*

1 (b) The governing board shall let any contract for a public  
2 project, as defined in subdivision (c) of Section 22002, involving  
3 an expenditure of fifteen thousand dollars (\$15,000) or more to  
4 the lowest responsible bidder who shall give security as the board  
5 requires, or else reject all bids. All bids for construction work shall  
6 be presented under sealed cover and shall be accompanied by one  
7 of the following forms of bidder's security:

8 (1) Cash.

9 (2) A cashier's check made payable to the community college  
10 district.

11 (3) A certified check made payable to the community college  
12 district.

13 (4) A bidder's bond executed by an admitted surety insurer,  
14 made payable to the community college district.

15 Upon an award to the lowest bidder, the security of an  
16 unsuccessful bidder shall be returned in a reasonable period of  
17 time, but in no event shall that security be held by the district  
18 beyond 60 days from the time the award is made.

19 (c) This section applies to all equipment, materials, or supplies,  
20 whether patented or otherwise. This section shall not apply to  
21 professional services or advice, insurance services, or any other  
22 purchase or service otherwise exempt from this section, or to any  
23 works done by day labor or by force account pursuant to Section  
24 20655.

25 (d) Commencing January 1, 1997, the Board of Governors of  
26 the California Community Colleges shall annually adjust the dollar  
27 amounts specified in subdivision (a) to reflect the percentage  
28 change in the annual average value of the Implicit Price Deflator  
29 for State and Local Government Purchases of Goods and Services  
30 for the United States, as published by the United States Department  
31 of Commerce for the 12-month period ending in the prior fiscal  
32 year. The annual adjustments shall be rounded to the nearest one  
33 hundred dollars (\$100).